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**S D X RESOURCES, INC.**


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511 West Ohio, Suite 601 Midland, TX, 79701

Ph:915-685-1761 Fax:915-685-0533

May 11, 1994

*William J. Lemay*

William J. Lemay  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

Dear Mr. Lamay,

Attached are five C-102's for new wells to be drilled in Lea County, New Mexico. All five wells have non-standard locations. These are:

Well Name	Sec	Twn	Rge	Footage
Jalmat Field Yates Sd Ut #158	110	22S	35E	1310 FSL 2630 FEL
Cone Jalmat Yates Pool Ut #32	13M	22S	35E	10 FSL 1310 FWL
Cone Jalmat Yates Pool Ut #33	24D	22S	35E	1310 FNL 1310 FWL
Cone Jalmat Yates Pool Ut #34	24P	22S	35E	1310 FSL 1310 FEL
Cone Jalmat Yates Pool Ut #35	25N	22S	35E	990 FSL 1650 FWL

We respectfully request that you give Non-Standard Approval for these wells to be drilled by signing below and returning to the above address as soon as possible.

Thank you for your help in this matter.

Sincerely,

*Victor J. Sirgo*  
Victor J. Sirgo  
Consulting Engineer

APPROVED this \_\_\_\_\_ day of May, 1994 by:

\_\_\_\_\_  
William J. Lemay

District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 PO Drawer DD, Artesia, NM 88211-0719  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
 PO Box 2088  
 Santa Fe, NM 87504-2088

Form C-102  
 Revised February 10, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 33820		3 Pool Name Jalmat Tansill Y-SR	
4 Property Code 14577		5 Property Name JALMAT YATES 158			6 Well Number 158
7 OGRID No. 020451		8 Operator Name SDX RESOURCES, INC.			9 Elevation 3605.

10 Surface Location

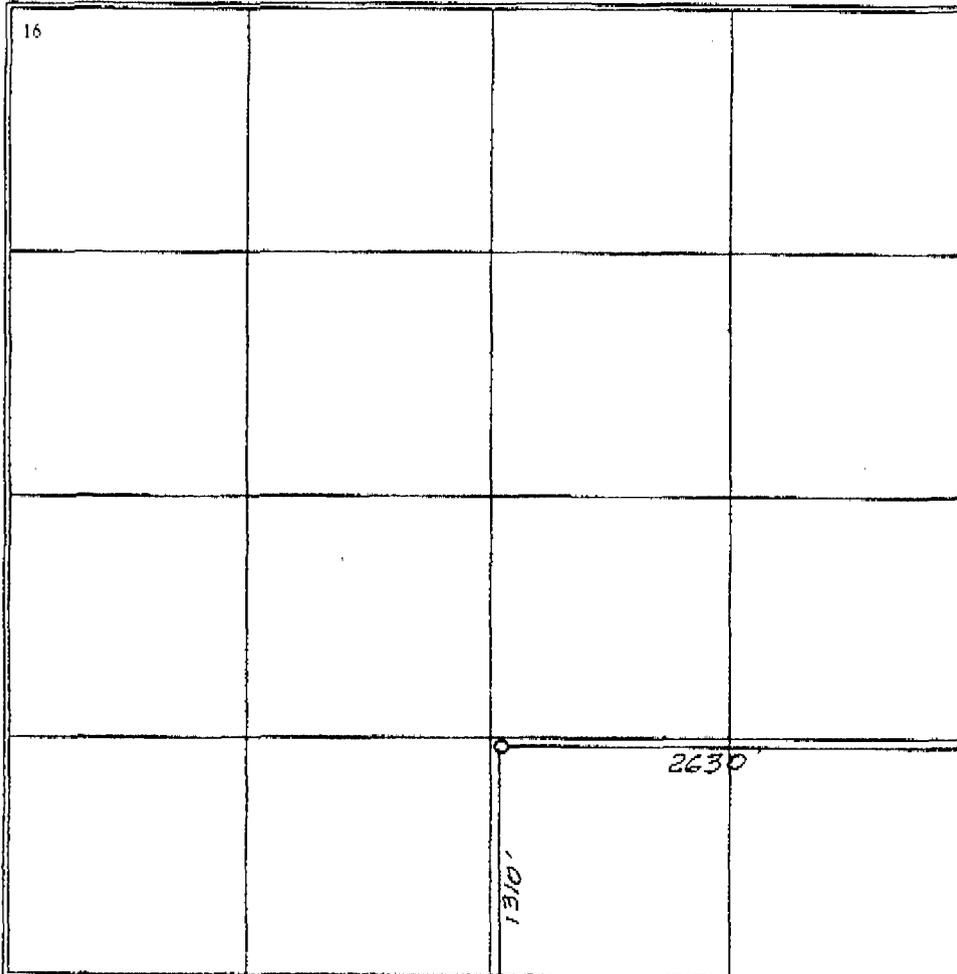
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	11	22S	35E		1310	SOUTH	2630	EAST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

*John Pool*  
 Signature  
 John Pool  
 Printed Name  
 SDX Resources, Inc  
 Title  
 5-16-94  
 Date

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

APRIL 13 1994  
 Date of Survey  
 JOHN R. REDDY  
 Signature and Seal of Professional Surveyor  
 REGISTERED PROFESSIONAL ENGINEER  
 5412  
 Certificate Number  
 NM PE&S NO. 5412

District I  
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
		33820		Jalmat Tansill Y-SR	
4 Property Code		5 Property Name			6 Well Number
14576		CONE YATES 32			32
7 OGRID No.		8 Operator Name			9 Elevation
020451		SDX RESOURCES, INC.			3568.

10 Surface Location

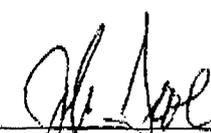
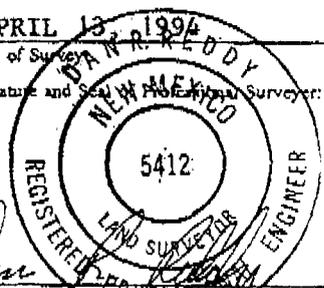
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	13	22S	35E		10	SOUTH	1310	WEST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

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16				17 OPERATOR CERTIFICATION		
				I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief		
				 Signature John Pool Printed Name SDX Resources, Inc. Title 5-16-94 Date		
1310'	10'				18 SURVEYOR CERTIFICATION	
					I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.	
					APRIL 13 1994 Date of Survey  Signature and Seal of Professional Surveyor: Certificate Number: 5412 NM PE&S NO. 5412	

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Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
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AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name	
		33820		Jalmat Tansill Y-SR	
<sup>4</sup> Property Code		<sup>5</sup> Property Name			<sup>6</sup> Well Number
14576		CONE YATES 33			33
<sup>7</sup> OGRID No.		<sup>8</sup> Operator Name			<sup>9</sup> Elevation
020451		SDX RESOURCES, INC.			3578.

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	24	22S	35E		1310	NORTH	1310	WEST	LEA

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p>				<p><b>17 OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>John Pool</i></p> <p>Signature John Pool</p> <p>Printed Name SDX Resources, Inc.</p> <p>Title</p> <p>5-16-94</p> <p>Date</p>		
				<p><b>18 SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>APRIL 13, 1994</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p>		
				<p>NEW MEXICO REGISTERED LAND SURVEYOR 5412</p>		

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
		33820	Jalmat Tansill Y-SR
Property Code	Property Name		Well Number
14576	CONE YATES 34		34
OGRID No.	Operator Name		Elevation
020451	SDX RESOURCES, INC.		3563.

10 Surface Location

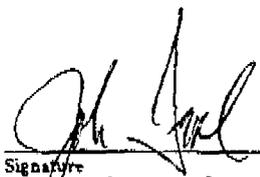
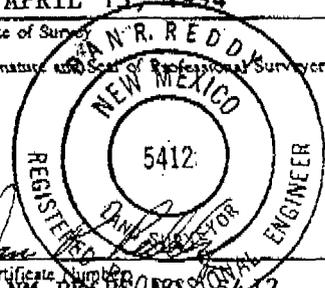
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	24	22S	35E		1310	SOUTH	1310	EAST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

11 Dedicated Acres	12 Joint or Infill	13 Consolidation Code	14 Order No.

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16				17 OPERATOR CERTIFICATION	
				I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
				 Signature John Pool	
				Printed Name SDX Resources, Inc. Title Date 5-16-94	
1310'	1310'			18 SURVEYOR CERTIFICATION	
				I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.	
				Date of Survey APRIL 13, 1994	
				Signature and Seal of Professional Surveyor  Certificate Number 5412	

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 33820		3 Pool Name Jalmat Tansill Y-SR	
4 Property Code 14576		5 Property Name CONE YATES 35			6 Well Number 35
7 OGRID No. 020451		8 Operator Name SDX RESOURCES, INC.			9 Elevation 3563.

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	25	22S	35E		990	SOUTH	1650	WEST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

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<p>16</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i>          Signature          John Pool          Printed Name          SDX Resources, Inc.          Title          Date          5-16-94</p>	
	<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>APRIL 13, 1994          Date of Survey  <i>[Signature]</i>          Signature and Seal of Registered Professional Engineer          SDX N.R. REDDY          NEW MEXICO          REGISTERED PROFESSIONAL ENGINEER          5412          CERTIFICATE NUMBER PROFESSIONAL ENGINEER          NM PE&amp;PS NO. 112</p>	

CONE JALMAT YATES POOL

APPROVED: June 28, 1963

EFFECTIVE: July 1, 1963

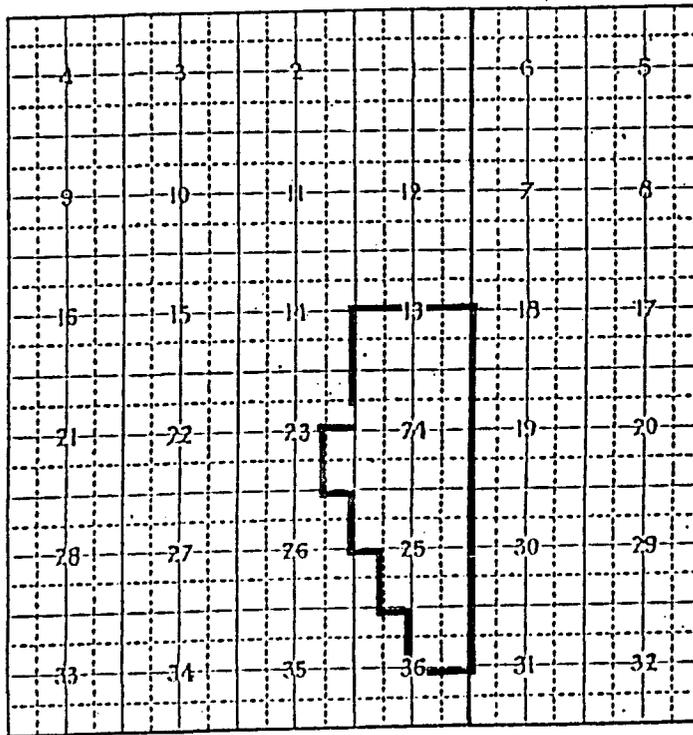
WATERFLOOD

Yates Sand Formation

Lea County, New Mexico

J. R. Cone, Operator

 **gulram, inc.**  
petroleum engineering and government regulation consultants



Unit Land

State 1,760.00 acres

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 2802  
Order No. R-2494

APPLICATION OF J. R. CONE  
FOR APPROVAL OF THE CONE  
JALMAT YATES POOL UNIT  
AGREEMENT, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 15, 1963, at Roswell, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 11th day of June, 1963, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, J. R. Cone, seeks approval of the Cone Jalmat Yates Pool Unit Agreement covering 1,760 acres, more or less, of State land in Township 22 South, Range 35 East, NMPM, Lea County, New Mexico.

(3) That approval of the proposed Cone Jalmat Yates Pool Unit Agreement will in principle tend to promote the conservation of oil and gas and the prevention of waste.

IT IS THEREFORE ORDERED:

(1) That the Cone Jalmat Yates Pool Unit Agreement is hereby approved.

(2) That the plan under which the unit area shall be operated shall be embraced in the form of a unit agreement for the development and operation of the Cone Jalmat Yates Pool Unit Area, and such plan shall be known as the Cone Jalmat Yates Pool Unit Agreement Plan.

(3) That the Cone Jalmat Yates Pool Unit Agreement Plan is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Oil Conservation Commission of New Mexico by law relative to the supervision and control of operations for the exploration and development of any lands committed to the Cone Jalmat Yates Pool Unit, or relative to the production of oil or gas therefrom.

(4) (a) That the unit area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

LEA COUNTY, NEW MEXICO  
TOWNSHIP 22 SOUTH, RANGE 35 EAST

Section 13: S/2  
Section 23: E/2 SE/4  
Section 24: All  
Section 25: N/2, SE/4, and  
E/2 SW/4  
Section 36: NE/4

containing 1,760 acres, more or less.

(b) That the unit area may be enlarged or contracted as provided in said plan; provided, however, that administrative approval for expansion or contraction of the unit area must also be obtained from the Secretary-Director of the Commission.

(5) That the unit operator shall file with the Commission an executed original or executed counterpart of the Cone Jalmat Yates Pool Unit Agreement within 30 days after the effective date thereof. In the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(6) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico, and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall notify the Commission immediately in writing of such termination.

(7) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

-3-

CASE No. 2802

Order No. R-2494

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 2803  
Order No. R-2495

APPLICATION OF J. R. CONE  
FOR A WATERFLOOD PROJECT,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 15, 1963, at Roswell, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 11th day of June, 1963, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the Cone Jalmat Yates Pool Unit Agreement has been approved by the Commission by Order No. R-2494; that the Cone Jalmat Yates Pool Unit Area comprises 1,760 acres, more or less, of State land in Township 22 South, Range 35 East, NMPM, Lea County, New Mexico, as more fully described in said order.

(3) That the applicant, J. R. Cone, seeks permission to institute a waterflood project in the Jalmat Pool in the Cone Jalmat Yates Pool Unit Area by the injection of water into the Yates formation through four wells located within said unit area.

(4) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(5) That the proposed waterflood project is in the interest of conservation and should result in recovery of otherwise unrecoverable oil, thereby preventing waste.

(6) That the subject application should be approved and the project should be governed by the provisions of Rule 701 of the Commission Rules and Regulations.

(7) That all water injection should be through tubing under a packer; provided however, that selective water injection into more than one sand in wells which are equipped with less than 5 1/2-inch pipe may be through one string of tubing under a packer and through the casing-tubing annulus if the casing is perforated and squeeze-cemented from total depth to the surface casing shoe.

IT IS THEREFORE ORDERED:

(1) That the applicant, J. R. Cone, is hereby authorized to institute a waterflood project in the Jalmat Pool in the Cone Jalmat Yates Pool Unit Area by the injection of water into the Yates formation through the following-described four wells in Township 22 South, Range 35 East, NMPM, Lea County, New Mexico:

J. R. Cone Nix State Well No. 4, Unit J, Section 13  
J. R. Cone Nix State Well No. 5, Unit L, Section 13  
J. R. Cone Nix State Well No. 9, Unit N, Section 13  
J. R. Cone Nix State Well No. 7, Unit D, Section 24

(2) That all water injection shall be through tubing under a packer; provided however, that selective water injection into more than one sand in wells which are equipped with less than 5 1/2-inch pipe may be through one string of tubing under a packer and through the casing-tubing annulus if the casing is perforated and squeeze-cemented from total depth to the surface casing shoe.

(3) That the subject waterflood project shall be governed by the provisions of Rule 701 of the Commission Rules and Regulations, including the allowable provisions thereof, and including the provisions with respect to expansion of the waterflood project.

(4) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1119 of the Commission Rules and Regulations.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

-3-

CASE No. 2803

Order No. R-2495

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/